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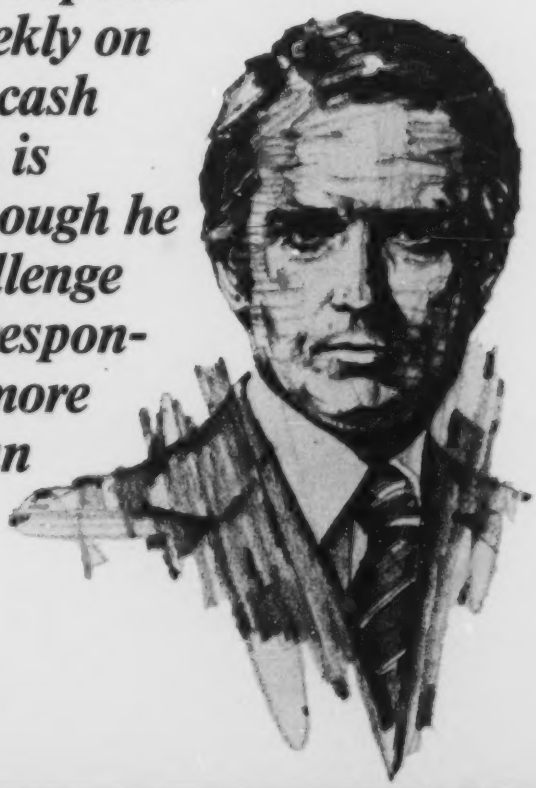
Profile of a Mobile Manager 1980

The typical upper-echelon mobile manager in American business today is a 47-year-old white male Protestant who is married to his first spouse. He spends 57.5 hours weekly on business. His cash compensation is $134,500, although he considers challenge and scope of responsibility to be more important than monetary reward.



Findings of a study of upper-echelon executives making career changes in 1979

The typical upper-echelon mobile manager in American business today is a 47-year-old white male Protestant who is married to his first spouse. He is a college graduate, although neither of his parents was. Employed by an industrial organization, he is based in the East and holds corporate officer rank.

The mobile manager spends 57.5 hours weekly on business. His cash compensation is $134,500, although he considers challenge and scope of responsibility to be more important than his compensation package.

His work affords him at least above average pleasure, and he has a high degree of satisfaction with his career progress. He has declined an offer of promotion or a new post with a different employer in the past two years because no increase in challenge was apparent.

Heidrick and Struggles, Inc.
Consultants
in Executive Search

About this study

In 1979 Heidrick and Struggles conducted its sixth annual study of those individuals whose assumption of positions of leadership in major business organizations had been announced in the Who's News column of *The Wall Street Journal*.

In 1975 this group constituted 3,394 men and 27 women; in the current survey, 4,113 men and 45 women were represented.

All of those included in the 1979 sample are chairmen and presidents of listed or actively traded unlisted companies, regardless of size, or of privately-held companies of at least $100 million volume or vice presidents of the nation's 500 largest industrial companies and the largest organizations in non-industrial classifications. Executives holding officerships in subsidiaries, divisions or units are included only if those businesses merited inclusion on the basis of their size alone.

Questionnaires were sent both to those moving within their own organizations (3,669 individuals) and between companies (489). Responses were received from 36 percent of the population. Characteristics of respondents did not differ significantly from all those listed in Who's News in terms of identifiable qualities—title, size of employer and type of employer. Where appropriate, comparisons are made between the 1979 and 1975 participants.

Heidrick and Struggles is grateful to the individuals who made this study possible.

About Heidrick and Struggles

For more than a quarter century, Heidrick and Struggles has devoted its full resources to helping client organizations in all major industries to locate, evaluate and attract the highest caliber executive talent. Men and women sought in behalf of client companies range from candidates for the board of directors and chief executive officer's post to middle management.

As one of the oldest and largest firms devoted exclusively to executive search, Heidrick and Struggles provides access to leading executive markets around the world through 10 domestic and nine international offices. The firm's seasoned consultants are supported by the search industry's most comprehensive research and planning operations, the product of more than 25 years of meeting clients' needs for superior performers.

Review and Forecast *by Eugene E. Jennings, Ph.D.*

A cruel hoax is being perpetrated on aspirants to the apex of corporate America's pyramid. In an effort to promote the 'quality of life' concept, a growing number of corporate watchers today are minimizing the sacrifices necessary for success. They are proposing that making it to the top should not require:

1. Graduate education;
2. Movement around and among organizations;
3. A commitment to long hours, including evenings and weekends;
4. A deferential spouse whose career comes second; and
5. A family which can be uprooted and geographically relocated.

Granted, some are realizing their high ambitions without adhering to one or several of these values generally ascribed to the mobile manager. Yet the findings of this study fly in the face of those who would portray the route to the top as easier than it really is.

The traditional mobile manager is alive and well and—if anything—is crowding out more competitors today than five years ago. There are more MBAs in senior management and increased inter-organizational movement. Deferential spouses are in the clear majority and willingness to move geographically has not slackened a bit. Certainly, compensation increases are greater among those who move to other organizations than those who move within. Mobility has become the great inflation fighter.

In the early 60s when the mobile manager was first identified, many believed he was a passing fad. On the contrary, the competency and commitment of those adhering to classic values continue to be highly prized in corporate America. Those who believe otherwise endanger their own success and that of their organizations. We shall expect even greater emphasis on these values in the future as corporate America heightens its standards for management still further to compete more effectively at home and abroad.

Dr. Jennings is a professor of management at Michigan State University and an authority on mobility in management.

Age

The average age of upper-echelon executives moving to new business organizations in 1979 remained virtually unchanged from five years before. However, the proportion age 50 and over advanced more than four percentage points, possible evidence of growing acceptance of older executives.

	1979	*1975*
Under 40	15.6%	15.0%
40-44	19.2	20.3
45-49	23.7	27.4
50-54	21.3	19.8
55 and older	20.2	17.5
	100.0%	100.0%
Average	47.8 years	47.4 years

Sex

In five years, the percentage of women being named to upper-echelon positions has hardly changed. This is not too surprising, since women first entered the mainstream of business in the early seventies, and as many as 20 years are required to develop senior level managers. The proportion of women found at the upper reaches of major organizations cannot be expected to change dramatically until the early 1990s.

	1979	*1975*
Male	98.9%	99.2%
Female	1.1	0.8
	100.0%	100.0%

Protected Class Representation

Only about one percent of mobile senior echelon managers are members of protected classes of race or ethnic origin. Since Civil Rights legislation relative to employment came into being in 1964, a greater number of protected class members might be expected to be found in the next several years.

	1979
Black	0.4%
Hispanic	0.6
Asian	0.2
	1.2%

Religion

More than six out of 10 of the mobile executives are Protestants. The incidence of Protestants and Jews exceeds their representation in the population at large, while Roman Catholics are under-represented in the upper reaches of major American corporations.

	1979 Mobile Managers	*USA Population*
Protestant	61.9%	55.1%
Roman Catholic	27.6	37.1
Jewish	7.7	4.3
Other	2.8	3.5
	100.0%	100.0%

Marital Status

The overwhelming majority of upper echelon mobile managers are married for the first time. Most of those who have been divorced are remarried. The executives are less likely than America's adult population as a whole to be divorced.

	1979 Mobile Managers	*USA Population, 18 and over**
Single, never married	1.2%	15.5%
Married to first spouse	83.8	52.5
Separated and divorced, not remarried	3.6	11.9
Divorced, remarried	9.7	10.1
Widowed, remarried or not	1.7	10.0
	100.0%	100.0%

**1978 General Social Survey, National Opinion Research Center, Chicago, Illinois*

Spouse Employed Full Time

Not unexpectedly, the problems attendant to two-career families are just beginning to be felt by the senior echelon executive group, whose average age is nearly 48 and almost exclusively male. In one out of 10 cases, however, the executive's spouse is employed full time outside the home. Typically the employer is a business organization, followed by educational and governmental institutions.

Of those executives with spouses who are employed full time, 18.1 percent report that the wife or husband declined a promotion or job offer from another organization within the past two years. Most frequently, the cause was conflict with the marriage partner's career.

When asked how career conflicts were resolved, survey participants most often (41.5 percent) responded that the more highly compensated individual's career governed. The second most frequently mentioned solution was to give precedence to that career offering greater long-term potential.

	1979
Yes	10.0%
No	90.0
	100.0%

Highest Educational Attainment

The level of education attained by senior echelon executives continues to advance. Nearly half of the current crop hold advanced degrees, although even an undergraduate diploma was a rarity among their parents. The MBA is by far the most popular post-graduate study. Harvard ranks first among schools represented by degree holders. Indeed, the institution increased its lead from 9.4 percent in 1975 to 10.6 percent of all degrees granted, while second-rank New York University advanced from 4.1 percent to 4.8 percent.

	Mobile Managers 1979	*Mobile Managers 1975*	*Father 1979*	*Mother 1979*
No degree	7.7%	9.5%	71.7%	81.3%
Undergraduate degree	45.1	47.0	17.5	15.9
MBA	23.5	19.4	0.8	—
Other master's	10.7	11.5	4.8	2.4
JD	9.4	9.3	3.4	0.1
Doctoral	3.6	3.3	1.8	0.3
	100.0%	100.0%	100.0%	100.0%

Employer Type and Size

A sizable majority of the mobile managers studied are employed by industrial companies; the largest proportion is affiliated with $2 billion firms. Among the non-industrials, finance, insurance and real estate organizations lead in representation.

In 1975, 59.1 percent of the survey participants were associated with industrials, while 40.9 percent were employed by non-industrials.

Industrials	***64.3%***
$2 billion or more	26.5%
$1-1.9 billion	11.4
$500-999 million	12.9
Under $500 million	13.5

Non-Industrials	***35.7%***
Finance, insurance and real estate	16.2%
Services	3.6
Wholesale and retail trade	6.7
Transportation	3.3
Communications and utilities	5.9
Industrials and non-industrials	100.0%

Base Location

As would be expected in light of the representation of billion dollar employers, nearly three-fourths of the mobile managers are based in the East or Midwest. Just a quarter are found in the South, Southwest and West. Less than one percent of the executives are based abroad currently, although 21.3 percent have resided in a country other than the United States during their business careers.

East	42.1%
Midwest	30.9
South	9.5
Southwest	6.0
West	10.9
Foreign	0.6
	100.0%

Title

About seven of 10 current survey participants (69.9 percent) hold corporate titles, while five years ago more than three of four (75.8 percent) managers did. The proliferation of subsidiary, division and unit titles—from 24.2 percent to 30.1 percent—reflects the growing size and complexity of business organizations.

Of respondents in the 1979 study, 49.8 percent have general management responsibilities and 40.2 percent have functional duties.

	Corporate 1979	*Corporate 1975*	*Subsidiary, Div., Unit 1979*	*Subsidiary, Div., Unit 1975*
CEO, Chairman, Vice chairman, President	17.9%	21.2%	18.2%	12.3%
EVP, Sr. VP, Group VP	22.9	18.7	5.1	4.5
Vice President	26.7	32.1	6.4	6.4
Other	2.4%	3.7	0.4	1.1

Cash Compensation (base and bonus)

During the five years which elapsed between studies, cash compensation of mobile executives has climbed from an average $96,350 to $134,500. This increase has more than kept pace with inflation. To earn the equivalent of 1975's figure in 1979, the manager would have been earning $129,922.

	1979	*1975*
Less than $70,000	10.2%	33.8%
$70,000-89,999	16.2	20.5
$90,000-119,999	25.9	21.6
$120,000-159,999	22.5	24.1
$160,000 or more	25.2	
	100.0%	100.0%
Average	$134,500	$96,350

Change in Compensation, Old to New Position

More than nine of 10 mobile managers moving to new responsibilities in 1979 attained higher compensation. The average gain amounted to 32.9 percent, with a larger differential—35.8 percent—being posted in inter-organizational changes. Those promoted by their own companies received an average increase of 29.3 percent.

The compensation change reported for 1979 (32.9 percent) was up substantially from the gain of 24.1 percent reported in 1975.

	1979 Total	*1979 Interorganization*	*1979 Intraorganization*	*1975 Total*
Decrease	7.2%	9.0%	1.2%	8.2%
No change	1.6	4.5	5.3	4.8
Increase	91.2	86.5	93.5	87.0
	100.0%	100.0%	100.0%	100.0%
Less than 10%	8.3%	10.0%	4.5%	13.1
10-14%	8.3	6.5	14.3	12.8
15-19%	8.8	6.5	12.2	12.1
20-24%	10.7	10.0	13.8	11.6
25-29%	8.6	6.5	13.3	8.4
30-39%	15.0	13.0	14.2	10.3
40-49%	11.2	10.5	7.5	6.7
50% or more	20.3	23.5	13.7	12.0
Average increase	32.9%	35.8%	29.3%	24.1%

Perquisites

The mobile managers enjoy a wide variety of perquisites in their new positions. Performance shares, stock purchase plans, deferred compensation and financial counseling are those which have gained in popularity over the past five years.

	1979	*1975*
Stock options	71.9%	86.4%
Performance shares	24.2	13.8
Stock purchase plan	41.7	37.5
Deferred compensation	31.7	27.1
Automobile	57.6	NA
Club membership	55.7	NA
Low-cost loans	5.8	NA
Medical exams	88.9	NA
Extra life insurance	69.7	NA
Financial counseling	33.5	26.3
Management contract	13.2	15.9

Results do not add to 100% due to multiple responses

Source of Inter-organizational Change

Executive recruiting consultants have become the prime means of inter-organizational movement at the upper echelon, replacing personal contact. This change reflects greater interest in the broadest possible search for leadership, rather than limiting such efforts to those who are already known.

	1979	*1975*
Personal contact	44.5%	51.7%
Executive Recruiter	55.0	47.8
Other	0.5	0.5
	100.0%	100.0%

Reasons for Mobility

Challenge and scope of responsibility remain the most important reasons for managers to move within or between organizations. Compensation advanced to third rank in 1979, ahead of the appeal of job content. Level of reporting relationship received significantly more mentions in 1979, perhaps reflecting the concern of managers with their place in larger, more layered organizations.

	1979	*1975*
Challenge	69.6%	64.0%
Scope of responsibility	69.1	65.5
Compensation package	42.0	32.7
Appeal of new job content	29.1	36.4
Level of reporting relationship	26.9	17.5
Title	15.9	11.3
Geographic location	9.1	6.2

Results do not add to 100% due to multiple responses

Reasons for Declining Opportunities

Nearly six of every 10 executives included in the current survey had declined a promotion or job offer from another organization in the preceding two years. Lack of increased challenge was the most frequently cited reason for refusing an opportunity, with lack of attractiveness of the company and lack of increased responsibility also being mentioned often. Significantly, money ranked fourth among causes of declination.

This question was not asked previously.

	1979
No increase in challenge	27.3%
Company not attractive	22.0
No increase in responsibility	21.3
Insufficient compensation package	19.6
Unattractive geographic location	12.6

Results do not add to 100% due to multiple responses

Number of Full-time Employers

The inter-organizational mobility of senior level executives has advanced in the last five years to more than three employers. Only 18.9 percent of the current respondents have devoted their entire career to a single employer, compared with 20.2 percent in 1975. Of the present participants, nearly three of 10 (29.9 percent) have averaged at least one full-time employer for every completed decade of life. This was true of little more than one in four (25.6 percent) five years ago.

	1979	*1975*
One	18.9%	20.2%
Two	25.9	26.2
Three	23.0	23.5
Four or more	32.2	30.1
	100.0%	100.0%
Average	3.14	2.90

Hours Devoted to Business Weekly

While much has been said relative to a decline in the work ethic even within management ranks, this trend has yet to impact those at or near the top of the pyramid. The average workweek of survey participants remains beyond 57 hours, while the proportion working 60 hours or more has increased to nearly half of the sample.

	1979	*1975*
Less than 50 hours	7.7%	8.0%
50-59	43.8	45.4
60-69	38.5	37.0
70 or more	10.0	9.6
	100.0%	100.0%
Average	57.5	57.4

Satisfaction with Career Progress

The self-designated degree of satisfaction with career progress among respondents has declined only slightly since 1976, when this question was initially posed. While virtually the same proportion continue to enjoy an above average degree of satisfaction, those at the very high level are fewer in number.

	1979	*1976*
Very high	40.9%	42.3%
High	50.0	48.7
Average	8.5	8.5
Low	0.6	0.5
	100.0%	100.0%

Feeling Regarding Work

The intensity of feeling regarding work has dropped since the question was first asked of participants. Only 20.5 percent now fail to distinguish between work and pleasure, compared with 23.8 percent in 1976.

	1979	*1976*
Work and pleasure are one	20.5%	23.8%
Work affords above average pleasure	65.1	61.3
Work affords average pleasure	10.3	11.0
Work affords below average pleasure	1.3	1.5
Work and pleasure are separate and distinct	2.8	2.4
	100.0%	100.0%

Geographic Mobility

While executives as a group display increasing reluctance to relocate geographically, senior level managers exhibit no such reservations. Indeed, the proportion asserting themselves to be impossible or even reluctant to move has declined since 1976 when the subject first was raised.

	1979	*1976*
Eager to Move	2.2%	2.5%
Willing to Move	59.3	53.7
Reluctant to Move	35.3	40.5
Impossible to Move	3.2	3.3
	100.0%	100.0%

Publications

The firm's original research on trends in management is shared with the business community at large. A complete list of Heidrick and Struggles publications appears below. Single copies are available upon written request to our nearest office.

The Changing Board (1980 Update, 1979 Update, 1978 Update, 1977)
Profile of the Board of Directors (1971, 1966)
Profile of a Chief Executive Officer (1980, 1977)
Profile of a President (1972, 1967, 1962)
Profile of a Bank and Bank Holding Company Chief Executive Officer (1980)
President Profile, Bank and Bank Holding Company (1974)
Profile of a Bank President (1969, 1963)
Profile of a Woman Officer (1980, 1979, 1978, 1977)
Profile of a Black Executive (1979)
Chief Personnel Executives Look at Blacks in Business (1979)
Profile of a Chief Financial Officer (1975, 1970, 1965)
Profile of a Chief Personnel Executive (1977)
Profile of a Chief Marketing Executive (1976, 1971, 1966)
Profile of a Chief International Officer (1980, 1975, 1970)
Profile of a Chief Research and Development Executive (1978, 1973, 1968)
Profile of the Bank Chief Executive in Great Britain (1973)
Profile of the British Board of Directors (1972)
Profile of the Chief Financial Officer in Great Britain and His American Counterpart (1976)
Profile of a Canadian President (1973)
Profile of the European Chief Executive and His American Counterpart (1969)
Profile of the European Personnel Director (1976)
Profile of the Chief Executive Officer in Mexico (1977)
Profile of a Mobile Manager (1980, 1977)
Director Data A report on outside director selection practices (originated in 1976, issued annually)
The Search for Management Services of an executive recruiting firm

Heidrick and Struggles, Inc.
Consultants in Executive Search

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